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## WHAT SHALL BE DONE WITH THE SURPLUS?

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THIRTY millions a month goes into the Treasury by the force of existing laws. Not more than twenty millions a month can be paid out, without violation of existing laws, except for the redemption of bonds. At that rate the last of the bonds that can be called until 1891 will be paid off next July. Then what can be done with the surplus of \$10,000,000 per month? Without stealing, it cannot be got out of the Treasury, unless the laws be changed. Without ruin, it cannot be kept in the Treasury.

Not many governments have ever been in trouble because they were too rich. Twenty years ago, when the net debt was more than twice what it is now, there were few who imagined that, within the life-time of any then active in affairs, the United States government would be embarrassed by riches. Two years after the war had ceased, the Treasury sold six per cent. bonds at a premium of only a quarter's interest; now it cannot buy a four per cent. bond without paying a premium equal to seven years' interest. Now, prostration of industry impends, through absorption of the currency into a plethoric treasury. In 1887, if there comes no change of the laws, the life-blood of trade must be drained into the Treasury at the rate of \$120,000,000 yearly.

Micawber was not, perhaps, a model financier, but he knew that a surplus could not be made less by putting out a new promise to pay instead of an old. It is, therefore, a curious mistake when Secretary Manning proposes "payment of \$346,681,016 outstanding promissory notes of the United States with the present and accruing treasury surplus, issuing silver certificates in their room, without contraction of the present circulating volume of the currency." If the certificate is a title deed to the silver in the Treasury, the greenback is equally a title deed to the gold. It is possible to cancel greenbacks with the surplus revenue, but that is contraction of the currency. It is also possible to offer silver

certificates in exchange for greenbacks, but that is not using or diminishing the surplus. The sum of notes to be paid after the exchange would be no less than before, and the sum of cash accumulated for their payment just the same. How it would help the public credit or the country to put out promises to pay seventy-five cent dollars instead of promises to pay one hundred cent dollars, need not here be asked. Nor will Congress vote to lend the money to bondholders, as Senator Beck proposes. It will rightly say that the bondholders need it less than anybody else, and can borrow now on governments more than the Treasury ought to lend.

There are two ways, and but two, of dealing with the surplus. Income can be reduced, or expenditures can be increased. Apoplexy can be cured by sending less blood to the base of the brain. It can be cured by drawing off the excess. But it cannot be cured by calling the crowding and mounting blood by a different name. It must be confessed that the great statesmen of the day do not shine with especial effulgence in their treatment of this problem. One class would cut down or cut off taxes on articles of voluntary use, on luxuries and on sugar ; another would cut down or cut off duties on articles which compete with important products of home industry ; but neither stops to ask whether the remission of taxes would do as much good as a wise use of the money raised. The veteran Morrill would like to untax the sugar bowl and the pipe. Is he quite sure that more education would be less useful than more pipes ? Mr. Randall, with "a tariff only for revenue" as his slogan, would encourage whiskey drinking rather than industrial schools. Mr. Morrison urges that a surplus revenue makes it necessary to invite larger importations and raise a larger revenue, by reducing protective duties.

The talk of cutting down protective duties, as a remedy for the threatened surplus, is worse than child's play. Not a man of those who urge this remedy would dare to vote for a bill to so change these duties that they should yield even \$50,000,000 less to the Treasury than they do now. The revenue duties on sugars, fruits, tobacco, liquors, jewelry, furs, kid gloves, fancy articles, embroideries and laces, velvets, silk cloths, and hosiery, yielded last year \$91,400,000, and all other duties, mainly, but not wholly, protective in character, yielded \$98,000,000. A proportionate reduction of ten or twenty per cent. in duties of the latter class

would increase the revenue, which would be folly. A still larger reduction would increase it more. But in time the enlarging hole in the dam brings ruin. Presently the rising flood of foreign goods would prostrate home industries, and take from the people the ability to consume foreign products. That point would come before half the present duties had been removed, and then, in national ruin and bankruptcy, a material decrease of revenue would come, and not otherwise. Political leaders know this. The proof is that not one of them dares to propose a reduction averaging as much as a third of the protective duties now levied. Even Mr. Morrison does not, though, surpassing the tailless fox, he tries to make it the fashion to get amputated at the other end. He would hardly venture to vote for his own feeble bill of last year, knowing what he now knows, if he were not beaten already.

A statesman should ask, first, whether the revenue ought to be reduced at all. This country has been nearly talked to death by tax-reducers and money-savers. For twenty years it has been taught that a traitor is a much better man than one who votes to spend a public dollar that could possibly be saved. In private life, a more despicable creature than the miser is not known to Americans. But in public life, a man who is too stingy to succor sorrow or relieve want, even when a soldier's widow lifts wan hands to the government he tried to save, a man too mean to care whether his nation is disgraced, a man too stupid to see that education is the best crop that can be grown on free soil, a man too cowardly to invest a dollar lest it should be lost, is called a great statesman and a "watch-dog of the Treasury." Like master, like man; the voters in some districts seem incapable of comprehending why the contemptible creature who hid his talent in a napkin was cast into outer darkness. There are many uses that can be made of public money, better than to give it back to smokers and drinkers, to German importers or British manufacturers. The duty of government, as of the servant who had the one talent, is to make the best use of what it has. To hand it over to foreigners as an inducement to break down American industry, to give it to importing agents as a reward for cheating government by undervaluations, to encourage more smoking and drinking in a country which smokes and drinks more than enough already, is possibly not the very worst use that could be made of the money, but it is not far from it.

What would the surplus be worth to the people, if left in their hands? Part of it would not be left to them; it is paid by foreign manufacturers and importers for the privilege of selling here. Another part the people would transmute into smoke by increased consumption of tobacco, or into headaches, diseases, and crimes, by a larger consumption of liquors. But if every dollar of the surplus could be left to the people, what would it be worth? Railroad capital averages about four per cent. The still larger capital invested in farms does not return four per cent. to owners. The increase in all wealth, from 1870 to 1880, was about  $3\frac{1}{2}$  per cent. yearly. The man who keeps money at  $3\frac{1}{2}$  per cent., when he can place it more safely at a higher rate, is not as sane as most Americans. What shall be said of the sanity, then, of those who insist that the people would be better off to keep their money at  $3\frac{1}{2}$  per cent., than to have it invested by the Government in the industrial education of the young? Is there a member of Congress who does not know that money so invested would return a far greater profit than that to the people, whose faithful agent he has sworn to be?

No one doubts that the common school system, inadequate, ill-directed, and one-sided as it often is, and tending far too much to beget a distaste and unfitness for the labor of productive industry, nevertheless returns to the people in value of labor many times its cost. It is the common school system that has lighted the fires of thought and ambition in millions of minds. Consider the patents issued, 93,000 in five years, and their incalculable value to American industry; consider how they make American labor more effective than that of any other country; consider how single patents have been worth more than a year's schooling for the whole nation. This is but one of many harvests from that sowing. The country now pays for the schools about \$100,000,000 yearly, and the average cost, \$15.50 yearly per scholar, is returned many fold in the increased value of American youths as workers. Must not the return be far greater if, with the years of "book learning," every scholar were taught the rudiments of useful trades and employments? Would practical training for industry cost too much? Perhaps it would double the cost of the school system, but that would only use up the surplus about which statesmen are anxious.

How many misdirected lives there are; how many aimless

wanderers, who have lost their way. How many have been thrust into work for which they are unfit, doomed to a life-long barren endeavor to make a shovel do the work of a mason's trowel. No one can compute the waste of power and loss of opportunity which come from mistaken choice of work, by boys who have no chance to find out what they can do best, or by parents who know only the trades by which they live, or by prejudices, circumstances, or accidents. Industrial training would pay back all its cost by giving each boy a chance to find out what faculties he has, and for what work he is best qualified. A larger consideration is that the schools now send too many boys into trading, teaching, the professions, or "living by their wits." Industrial training would win a larger share to productive labor, show how to put brains into it, and make it more honorable.

Only a minimum estimate of the value of such training is possible. Many a workman remembers how he had to pick up his own knowledge of his craft, scantily paid or not paid at all, taught by nobody, set to do the rudest work because there was no time to fit him for any better, and kept at the rudest work and the lowest pay until by violence, so to speak, he broke through the wall of opportunity and mastered the methods of better work. He can best judge what it would have been worth to him, had he been taught at school, with patience, example, and stimulating rivalry, more than a year of ill-paid labor gave him scanty opportunity to pick up for himself. But others know what a green boy is worth at the bench, in the workshop, or on the farm. What would he be worth if he had learned at school to use the tools and to comprehend the processes of his occupation? The boy who begins to learn a carpenter's trade, for instance, may hope to add each year about 50 cents to his daily wages; after about five years' work, he may come to be worth a man's full pay. Industrial training would at least make him worth as much in the first year as he now is in the second, and so would add for each of five years more than \$100 to the value of his labor. At that rate, each year's crop of 1,200,000 boys and girls would more than repay the year's surplus, if it were entirely expended in industrial education, by their first year's gain, and would leave a similar gain for each of four succeeding years as clear profit on the investment.

"But that reckoning includes the girls." Why not? France

supports an industrious and thrifty people, so far content that it sends fewer immigrants than any other great nation to these or other shores, on about fifteen cents per day for food.

The cost to people of this country is fully thirty cents per day. Our people are blest with more liberal supplies, but at lower cost. Certainly a third of the difference, or five cents per day for every inhabitant, is due to household waste and ignorance in cooking. When American girls are taught to cook as carefully and as intelligently as they are taught to spell and cipher, they can save the workingmen of the next generation, whose wives they are to be, and true helpmeets they ought to be, at least five cents a day for every person. For 60,000,000 people, that is \$1,095,000,000 yearly. The industrial education of one sex alone in sewing and household arts and economies would return yearly, in profits to the people, the cost of ten years' training for both sexes, more than the entire surplus, which threatens, if unemployed, to bleed industry to death. Why does not the hard-worked mother teach her daughter? Ask her. "What time or what means have I here to teach anything? How can I teach them what I do not know myself? Mother was the slave of the factory, as I am the slave of the kitchen. It may be true that half the food we buy, if cooked as it ought to be, would do more good; but who is to teach me what to buy or how to cook? I would bless God if He would give my girl the chance I never had." Education there is, but it begins at the wrong end. Less of the nation's welfare depends upon good spelling than upon good cooking. An empty stomach is rarely near heaven, and good wages have a more civilizing influence than good grammar.

Every dollar of the surplus should be invested in providing industrial training, free to all children, in addition to the public school system. Whether the expenditure should be controlled by the General Government, or by State or local boards, need not here be discussed. If the working people of this nation come to understand what this opportunity means for them and their children, they will find a way to embrace it, and make it hot for any party which pretends to find constitutional or practical barriers in the way. What are the Knights of Labor doing? This measure would be worth more to industry than all the labor organizations that ever flitted, ghost-like, through the dreams of an agitator or walking delegate. What are capitalists doing? This measure

would enhance the value of American labor, and would kill free trade agitation at the same time. Socialism, is it? The common school system is only a blinder and less profitable socialism. The water-works and public parks, the libraries and humane institutions, are works of pure socialism, and he who does not know it does not comprehend the meaning of words. Has this nation a genuine belief in Him who said, "Sell that thou hast and give to the poor, and follow thou me?" Can the Christian of the nineteenth century give to the poor in any way more wisely than by educating and training them, so that, by honest industry, they may become less poor? Can the Christian of the nineteenth century vote to put certain millions into importers' pockets, or into the pipe, the coffee cup or the beer or whiskey glass, and not into the uplifting of the children of American fishermen and carpenters?

W. M. GROSVENOR.